

U.S. Congressional Field Hearing
IRS Testimony
Thursday, August 22, 2013
Mesa, Arizona
Testimony: Shane F. Krauser, Director,
American Academy for Constitutional Education

Good Afternoon, Members of Congress. I am honored to be here to offer a statement which I hope will be helpful in assessing the problems of the IRS and to help put an end to their abusive conduct. I have submitted my full statement to the committee and ask that it be made a part of the hearing record.

My name is Shane Krauser, and I am the director of the American Academy for Constitutional Education, a partner with the law firm of Davis Miles McGuire Gardner, and a former prosecutor of 12 years with the Maricopa County Attorney's Office. I did my undergraduate work at Arizona State University and received my law degree from the University of Utah.

My testimony is focused on one primary issue, namely the actions of the federal government through the Internal Revenue Service. The American Academy for Constitutional Education is a victim of their conduct, as we have been waiting for nearly 19 months for our tax-exempt status.

Equal treatment under the law is the ultimate American ideal, and this principle has been rejected outright by our government. We demand that our representatives fight to further expose and eliminate the tyrannical impulses of the IRS as they hurt Americans without consequence. And let there be no mistake here: This is tyranny.

This is no longer paranoia or a conspiracy theory. This is a reality where real American lives are affected, speech is restricted, and freedom is paying the price. The rule of law has become a convenient afterthought.

The American Academy for Constitutional Education is an organization that travels America teaching about limited government, freedom, the framework of our Constitution, and the dangers of abandoning our charter of freedom.

I started this organization because I see, understand, and recognize that America is in trouble. Our Constitution is under attack. Our representatives don't understand

the oath. Most politicians don't even pretend to know anything about the Constitution because it is simply too burdensome. Government no longer acts as a protector of the people, but one that picks and chooses who it will protect and who it harasses. In this case, the IRS targeted speech that it did not like, targeted a message it found repulsive, and targeted people that hamper their agenda. This is not the America I love.

We have found ourselves in the crosshairs of the IRS because of what we stand for and believe in. The IG report made it clear that groups like the American Academy were targeted. And why? Because our educational message doesn't sit well with big, bloated, and bastardized government.

We teach that limited government maximizes freedom. The IRS targeted our speech because this administration has bought into the lie that bigger government means more freedom, and we are a threat to that lie. Like a tyrant, it cannot stand that intelligent people exist that oppose their policies. As a result, they use the force of government to shut them down. Well, I have news for them. We are not going anywhere.

The truth is that millions of Americans are enslaved and find themselves on the government plantation and don't even know it. They have been disillusioned and fallen under the spell of handouts, regulations, and excessive legislation that pretends to give people more freedom. The idea of a republic is to protect the liberties of even our political enemies. Instead, our republic has become a Machiavellian train wreck.

I have spent years speaking to tea party groups, conservative clubs, and republican organizations all over America. The engagements with the Academy are apolitical and are driven by the message of limited government, freedom, and the power of the people to fix the problems in America today.

As the Academy gained traction in its advocacy of the message of America, it filed for tax-exempt status in January 2012. Nine months later on September 20, 2012, the IRS sent a letter of inquiry requesting more information about the Academy. The abusive conduct that we all fear showed up on our doorstep.

The IRS wanted comprehensive information about my work with Glenn Beck, namely “Constitution Cruises” put on with the Carnival Cruise Line. What does the Academy’s work with Glenn Beck or even teaching the Constitution on a boat have to do with gaining approved status as a tax-exempt organization?

The American Academy’s website (www.aafce.com) outlines courses about constitutional restoration. The IRS requested samples of course material, costs to attend seminars, justification for the fees, and asked for a fee schedule for anything where there is a monetary exchange.

As the director of the American Academy, the IRS wanted my fee schedule, copies of all contracts where I agreed to speak, copies of all curriculum that I had developed, and an explanation as to how my recently-published book, “Your Nation to Save,” contributes to the overall mission of the Academy. To make matters even more interesting, it was Congressman Matt Salmon who wrote the foreword for that book, which is a line-by-line explanation of the Constitution.

While the Academy was disturbed by the IRS’s inquiry, we cooperated. We were more interested in getting our message across the country than playing games with agents of the IRS. We hoped for fairness but our hope turned to madness, a near hatred for the government that I worked for at one time.

The Academy submitted its timely response in October 2012. We then reached out to the IRS numerous times from October 2012 until May 2013 with no response. Finally, on May 13, 2013, the very day the scandal broke, we heard from them. IRS Agent Cordell informed us our concerns had been “elevated.” Three months later, the “elevated” status left us empty handed. Big government had us by the throat.

What we have experienced is an absolutely disturbing lack of accountability. We have called countless times and the IRS refuses to return our phone calls. We have been made to wait hours on hold until we could not wait anymore. .

Just last week on August 12, 2013, Agent Jodi Garuccio finally returned one of our phone calls. She told us an alert was placed on our file. When we asked what that meant, she said she could not disclose the nature of the alert. We all know what that alert consisted of: Our message. This is pathetic! The very country that deems

to protect expression is now ignoring that protection for political advantage and what we perceive as intimidation.

We have also spoken to a supervisor by the name of Kevin Phegly. Agent Phegly has told us that our case was one of the many they were waiting to receive guidance on from Washington, D.C. He refused to elaborate on any details and would only tell us that our file was sent to Washington, DC for further review.

The American Academy has lost out on significant resources from individuals, businesses, and corporations because we have not yet acquired our status. Indeed, our ability to convey the message has been hampered.

Organizations whose focus revolves around patriotism, the U.S. Constitution, and promoting an educational defense of a free society should not be looked upon differently by the government. We trusted that the information we provided would be used appropriately and not used to discriminate against the organization. However, that was not the case.

One thing is absolutely certain: By the admission of the IRS itself, Tea Parties, conservative coalitions, and liberty-minded groups were unfairly targeted, and many of these groups suffered in terms of fundraising and accumulating resources in order to fight what they perceive as a critical battle. That's their right, and the government should have protected that right.

America must be reminded that our Constitution is like a trap. It is a complex maze of booby traps designed to stop tyranny in its tracks. However, tyranny is rampant because we have disengaged the teeth of the Constitution. The people and their representatives who understand what is at stake must give teeth back to this document.

Like every one of you, I have taken an oath to defend the Constitution. The very IRS agents who oversee our case all the way up to Lois Lerner, the head of IRS Exempt Organization, took an oath. However, their actions make it seem as though it is a convenient or cute sound bite. The very document that makes our country different has been ignored, disregarded, conveniently forgotten and even scoffed and laughed at.

Sadly, the indispensable principle of equality under the law, which is the hallmark of America, has been violated. By their own admission, it has been violated.

Samuel Adams said, "If ever a time should come, when vain and aspiring men shall possess the highest seats in government, our country will stand in need of its experienced patriots to prevent its ruin."

Congressmen, I am asking you to be those patriots that were once revered and honored in this country. Make it clear that this is unacceptable. Be that lone voice and stand against tyranny on every front.

America's best days are yet to come, but this will require tyranny to come toppling down. Can there be any question that the behavior of the IRS under these circumstances is anything short of tyranny? We are better than this.

Thank you very much, congressmen, for the opportunity to testify.